

Governor Carney Signs House Bill 31 Allowing Delaware Financial Institutions to Offer Prize-Linked Programs to Encourage Savers

Delaware becomes 15th state to launch prize-linked savings program

DOVER, Del. – Governor John Carney today signed [House Bill 31](#), making Delaware the 15th state to launch a prize-linked savings program to encourage Delawareans, especially low-income and first-time savers, to make regular deposits into their accounts. Delaware also became the 22nd state to enact legislation allowing financial institutions to participate in such programs.



House Bill 31 was sponsored by Representative Sean Matthews and Senator Bryan Townsend, along with Representative Helene Keeley and Senator Cathy Cloutier. Under the legislation, savers will start out with a small deposit into a savings account. Each time they add to it, their chances to win one of many cash prizes increases. With each deposit, account holders will be entered into the pool to win – similar to buying a ticket for a raffle. The chance of winning rises as the number of deposits increases. The bill clarifies that such programs do not constitute prohibited gambling or lottery practices.

The bill signing was held at Del-One Federal Credit Union in Dover, which will be the first financial institution in Delaware to launch a prize-linked savings program throughout its 10 branches.

“House Bill 31 offers a unique way to encourage Delawareans to increase their savings and to do it on a regular basis,” said **Governor Carney**. “Without a sufficient savings emergency fund, many Delawareans across all income levels come up, on average, \$1,800 short when faced with a large, unexpected expense. A prize-linked savings program is a great way to save and possibly get rewarded with a cash prize for doing so.”

“As the cost of living continues to climb, it’s more important now than ever to develop a financial plan. We’ve seen in other states that prize-linked savings accounts provide a big incentive for people to put money aside. This new program will help Delawareans build a savings account to put them on the right path forward,” said **Representative Sean Matthews, D-Talleyville**, prime sponsor of H.B. 31. “Once people start seeing a savings cushion, they will be encouraged to save more. This is a win-win for residents and the state as a whole.”

“With economic inequality reaching its highest levels in modern memory, it’s more critical than ever that we reward good financial habits and make it easier for working people to get out ahead on their savings plans,” said **Senator Bryan Townsend, D-Newark**. “This legislation is modeled on proven programs in 14 other states and will make a real difference for families right here in Delaware. I’m proud to have supported it and I’m grateful for Rep. Matthews’ tenacity in getting this legislation passed.”

“Finances control so much of what we do on a day-to-day basis. From urgent care expenses to unexpected vet costs, surprise bills can be crippling. That’s why having access to prize-linked savings accounts is such a game-changer,” said

Representative Helene Keeley, D-Wilmington South. “This new program will enable Delawareans to learn how to save in an interactive and rewarding fashion.”

“Having a savings account buffer is so important. In the busy day-to-day where there are so many things that seem to take precedent, it is not always the first thing on people’s minds,” said **Senator Cathy Cloutier, R- Heatherbrooke.** “This is a fun way to remind people and help them build up funds.”

“We are thrilled to offer this enticing savings program to all Delawareans and to join our colleagues across the country who have done so much to boost savings rates in their communities,” said **Dion Williams, Del-One president and chief executive officer.** The program is currently in development, and the opening date will be announced on Del-One’s website, www.del-one.org.

In Michigan where the program started in 2009, 60,000 people have saved over \$140 million with an average account balance of \$2,000.

\$tand By Me, a statewide financial empowerment partnership administered by the Department of Health and Social Services and United Way of Delaware, is supporting this effort as part of its work to increase financial well-being for all Delawareans. **Michelle Taylor, president and chief executive officer of United Way,** said the program will offer an added incentive for Delawareans to build their savings.

“We all need a financial cushion to help us weather the unexpected demands of life,” said **Taylor.** “This prize-linked savings program will make it easier, and potentially more rewarding for people to build that nest egg.”

\$tand By Me customers Shamica and Jarad Spencer recently have started to save more each month to support their goal of homeownership.

“Saving isn’t easy, but we know it’s the only way to get what we want, so we’re willing to make that sacrifice,” said **Shamica Spencer**. “And as long as we’re already saving, why not sign up for a prize-linked savings program to make it more entertaining and enjoyable?”

Information about prize-linked savings programs will be available at www.del-one.org or www.standbymede.org.

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